



Quarterly Financial Report

Second Quarter of 2013-14

February 25, 2014

The financial information in this report reflects the City's overall financial position for the fiscal year through December 2013.

EXECUTIVE SUMMARY

Amendments. The General Fund budget presented in this second quarter report reflects the adopted budget of \$95,861,764 along with four budget amendments approved by Council. The only budget amendment approved since the first quarter report to Council was the \$7,786 amendment to budget the State of North Carolina annual grants to Harvest House and the Senior Opportunity Center. A summary of the budget amendments that were approved as of December 31, 2013 is presented below. None of these amendments involved an appropriation from fund balance.

Adopted Budget	95,861,764
Budget Amendments:	
Technical: Move Changing Together to Grant Fund	(79,060)
Technical: Move Computer Purch. to Capital Fund	(350,000)
Add School Resource Officer	49,842
Senior Op Center/Harvest House Grant	<u>7,786</u>
12/31/2013 Budget	<u>\$95,490,332</u>

Revenues. Through December 31, 2013, the City has collected \$55,761,424 in General Fund revenue, which represents approximately 58.4% of the total General Fund revenue budget. The percentage of revenue collected compared to budget is almost identical to the previous year's percentage through two quarters. Staff received assessed valuation data from Buncombe County in January that confirmed the FY 2013-14 property tax levy estimates. However, with the change from County to State collection of the motor vehicle tax, revenues from this portion of the tax base are lagging behind estimates. Staff will continue to monitor these collections. Sales tax revenue, which is up 2.8% compared to the same period last fiscal year, is also lagging behind budget. Through two quarters, state utility tax revenue is flat compared to the prior year but on track to reach budget estimates. On a positive note, revenue from Development Service fees continues to trend higher than anticipated and is at 70% of budget. Overall, staff is currently projecting that ***FY 2013-14 General Fund revenue will come in under budget by \$399,000 or 0.42%.***

Expenditures. General Fund expenditures through December 31, 2013 total \$41,215,333 or 43.2% of the budget, which is slightly under where we were last fiscal year after two quarters. Personnel expenses, the largest component of the General Fund budget, are running under budget through the first two quarters. Expenditures for fuel and fleet maintenance are also performing better than budget through December. Utility costs are also under budget through December, but likely to increase and be higher than recent years in the second half of the fiscal year due to the colder winter. ***Based on the trends noted above, staff is projecting that expenditures will finish the year under budget by \$840,000 (99% of budget) which will more than offset the expected revenue shortfall.***

Fund Balance. The City ended FY 2012-13 with available fund balance of \$15.4 million, which equated to 17.6% of FY 2012-13 expenditures. Based on ***current revenue and expenditure projections for FY 2013-14***, staff estimates that available fund balance at June 30, 2014 will be \$15.9 million or 16.8% of estimated expenditures.

GENERAL FUND

	Revised	12/31/2013	Year-End	Pos./(Neg.)
Revenues:	Budget	Actuals	Estimate	Bud. Variance
Property Taxes	51,606,975	34,926,731	51,456,975	(150,000)
Sales & Other Taxes	18,084,277	6,120,903	17,647,433	(436,844)
Intergovernmental	11,229,228	6,270,217	11,329,228	100,000
Licenses & Permits	4,706,690	3,209,286	4,906,690	200,000
Sales & Services	8,489,319	4,396,480	8,106,946	(382,373)
Investment Earnings	150,000	61,162	120,000	(30,000)
Miscellaneous	1,180,063	767,088	1,480,063	300,000
Other Financing Sources	<u>43,780</u>	<u>9,557</u>	<u>43,780</u>	<u>0</u>
Total Revenue	<u>95,490,332</u>	<u>55,761,424</u>	<u>95,091,115</u>	<u>(399,217)</u>
Expenditures:				
Administration	4,292,776	1,931,278	4,242,776	50,000
Legal Services	665,063	355,864	665,063	0
Finance & Management	2,346,374	1,035,171	2,296,374	50,000
Human Resources	1,276,285	528,660	1,226,285	50,000
Information Tech. Srv	2,518,637	1,215,813	2,468,637	50,000
Nondepartmental	14,028,980	3,209,692	14,003,980	25,000
Economic Development	438,457	298,386	433,457	5,000
Fire	19,579,293	9,796,732	19,569,293	10,000
Police	22,667,143	10,141,045	22,367,143	300,000
Building Safety	2,858,310	1,314,819	2,808,310	50,000
Transportation	1,196,052	482,693	1,146,052	50,000
Public Works	12,894,771	5,941,835	12,794,771	100,000
Planning	1,344,308	515,039	1,294,308	50,000
Parks & Recreation	<u>9,383,883</u>	<u>4,448,308</u>	<u>9,333,883</u>	<u>50,000</u>
Total Expenditure	<u>95,490,332</u>	<u>41,215,333</u>	<u>94,650,332</u>	<u>840,000</u>
Rev. (Under) Exp.	<u>0</u>	<u>14,546,091</u>	<u>440,783</u>	
Unassigned Fund Balance:				
Fund Bal. Change	<u>0</u>		<u>440,783</u>	
Beginning Fund Balance	<u>15,485,434</u>		<u>15,485,434</u>	
Ending Fund Balance	<u>15,485,434</u>		<u>15,926,217</u>	
Fund Balance Percentage	<u>16.2%</u>		<u>16.8%</u>	

REVENUES:

At this point in the fiscal year, staff is projecting FY 2013-14 General Fund revenue will be \$95,091,115 which is \$399,000 or 0.42% below the revised budget. Major revenues to report on for the 2nd quarter include:

Property taxes. Property tax revenue budgets for FY 2013-14 were based on assessed valuation estimates provided by Buncombe County in May of last year. In January, staff received the official 2013-14 assessed valuation data from Buncombe County, and it showed that the City's actual tax base was almost identical to the budget estimates from May. The one area of concern in the current year is the motor vehicle property collection rate to date. Collection responsibilities for the motor vehicle tax shifted from the County to the State this fiscal year, which was expected to generate additional one-time revenue for local governments. However, collections are currently running below estimates. Staff will monitor this revenue and report back to Council in the next quarterly report.

Sales taxes. To date, the City has received six months of sales tax revenue in FY 2013-14, and revenue is up 2.8% compared to the same time period last year. The Fiscal Research Division of the N.C. General Assembly reported in its January 2014 update that gross sales tax collections at the state level were up 4% through December. In that same report, they projected that North Carolina economy will continue to improve in 2014. Based on this information, staff expects that Asheville's sales tax collections will improve over the second half of this fiscal year. However, it is likely that sales tax revenue will come in under budget by approximately \$400,000.

Intergovernmental. The City receives approximately \$7 million annually in revenue from state utility taxes, making it the third largest General Fund revenue source after property and sales taxes. The City has received two of the four quarterly state utility tax payments, and revenue is flat compared to the same time period in the prior fiscal year. This revenue source is highly sensitive to weather conditions; so with the colder than normal winter weather that we've experienced to date, it is likely that collections will be higher in the second half of this fiscal year than they have been in recent years. Overall, staff is projecting that the intergovernmental revenue category will come in over budget by approximately \$100,000.

Other Revenues. As noted in the first quarter report, the City is losing approximately \$600,000 in budgeted revenue in the current fiscal year as a result of the Town of Biltmore Forest cancelling its fire protection contract with the City of Asheville. This loss is reflected in the year end estimate for the Sales and Services revenue category. Other revenues in this category, including the solid waste fee, are performing better than budget which is helping to partially offset the loss of the Biltmore Forest fire contract revenue. On a positive note, revenues in the Development Services Department (DSD) were already at 70% of budget through the first two quarters. Based on these results and other revenue trends, staff is projecting that License and Permit revenue will exceed budget by \$200,000. Finally, based on collections to date, staff anticipates that ABC revenue (which is reflected in the Miscellaneous category) will also exceed budget.

EXPENDITURES:

Salaries. During the first two quarters, there were 12.36 payroll cycles charged against the FY 2013-14 budget, which represents 47.4% of the total payroll cycles that will occur during this fiscal year. Actual salary expenses through the first two quarters were at 46.2% of budget – a positive budget trend.

Fuel & Fleet Maintenance. The General Fund FY 2013-14 budget for fuel and fleet maintenance expenses totals \$3.1 million. Second quarter results show expenditures at 47% of budget, which reflects positive trends in both fuel and maintenance costs compared to one year ago.

Other Expenses. Utility costs were performing better than budget through December but costs will likely increase in the second half of the year and be higher than the previous two fiscal years due to the cold winter weather. The colder weather has also driven salt and sand expenditures higher this fiscal year than originally anticipated (Note – the numbers in this report do not reflect the \$75,000 budget amendment approved by City Council on February 11 to provide additional funding for storm control materials). Finally, health care expenditures citywide through December were flat compared to last fiscal year – a positive budget trend.

Landslides. Below is an update on repairs from the landslides that occurred in July. Staff is currently working with FEMA to obtain reimbursement for expenditures associated with the slides. \$151,780.64 of an expected \$2,303,633.09 in disaster reimbursement has been received as of February 7, 2014

- Spooks Branch slide – Construction 100% Complete. Reimbursement amount of \$278,407.92 is currently being processed by the North Carolina Department of Public Safety.
- Skyview/Sunset Drive slide – Construction 100% Complete. Partial reimbursement in the amount of \$279,805.43 is currently being processed by the North Carolina Department of Public Safety. An additional amount of \$31,322.10 will be submitted for reimbursement by March 10, 2014.
- Bent Tree Road slide – Retaining Wall plans 100% Complete and Road Design is Underway. Contract is currently being reviewed. No costs have been submitted for reimbursement thus far. An estimated total project cost of \$648,806.15 is expected to be reimbursed upon completion of project.
- Sunset Road slide- Retaining Wall Plans 95% complete. Home condemnation will likely cause a delay in beginning construction. Partial reimbursement in the amount of \$7,500.00 is currently being processed by the North Carolina Department of Public Safety. An estimated total project cost of \$562,326.95 is expected to be reimbursed upon completion of project.
- Finalee Ave. slide- Road design is underway, and contract is currently being reviewed. This project is ineligible for reimbursement. The slide occurred outside of the declared disaster period.
- 23 various small slides and other related storm damage completed by City crews- 100% complete. Reimbursement in the amount of \$151,780.64 has been received as of 2/7/2014. An additional amount of \$351,183.90 is currently being processed by the North Carolina Department of Public Safety.

FUND BALANCE ANALYSIS:

The City ended FY 2012-13 with available fund balance of \$15.4 million, which equated to 17.6% of FY 2012-13 expenditures. Based on current revenue and expenditure projections for FY 2013-14, staff estimates that available fund balance at June 30, 2014 will be \$15.9 million or 16.8% of estimated expenditures. The City's Financial Management Policy recommends that the City maintain a fund balance equal to 15% of the current-year budget expenditures.

ENTERPRISE FUNDS

The following information summarizes year-to-date and year-end projections for the City's six enterprise funds.

US Cellular Center Fund

	Adopted Budget	12/31/2013 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Operating Revenue*	1,992,506	1,399,229	2,090,800	98,294
Expenditure	2,878,433	1,404,930	2,878,433	0
Rev. Over/(Under) Exp.	(885,927)	(5,701)	(787,633)	--

* Represents operating revenue before general fund subsidy

Second quarter highlights in FY 2014 included the fall show for the Southern Highlands Craft Guild bringing over 9,000 people through the doors. The U.S. Cellular Center held four additional arena-sized concerts during the second quarter compared to the same quarter in FY 2013. During the city-wide Mountain Oasis Electric Music Summit in October (which over 17,000 people attended) the center acted as the vocal point for music performance. The USCC also held two consecutive nights of Widespread Panic in concert along with two consecutive nights of the Annual Warren Haynes Christmas Jam. The combined nights of the Christmas Jam translated to the highest grossing concessions event ever at the venue. Through the first two quarters the center has reached 67% of forecasted revenues for the year while only spending approximately 48% of budgeted expenditures. Due to the increase in event volume and the need for the purchase of additional concessions and cleaning product, staff anticipates that a budget amendment may be necessary later in the year. Any amendment would be fully covered by operating revenue and not require additional support from the General Fund.

Transit Fund

	Adopted Budget	12/31/2013 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Revenue	5,769,288	1,537,362	5,769,288	0
Expenditure	5,769,288	2,715,243	5,769,288	0
Rev. Over/(Under) Exp.	0	(1,177,881)	0	--

Expenses are on target for the second quarter. Fare revenue is 2.3% below the expected revenue for this quarter but other revenues, such as motor vehicle licenses are on target. Ridership has increased 1.2% to date, which demonstrates a recovery after the system changes in FY2012. Ridership trends will continue to be monitored to determine if the recovery is maintained the rest of the year. The fund shows a deficit at the end of the 2nd quarter due to the timing of federal and state grant draw downs.

Water Fund

	Revised Budget	12/31/2013 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Revenue*	33,961,959	17,300,107	33,926,223	(35,736)
Expenditure	42,304,346	20,883,034	40,989,975	1,314,371
Rev. Over/(Under) Exp.	(8,342,387)	(3,582,927)	(7,063,752)	--

* Does not include fund balance appropriation

Water operating revenues are projected to be \$35,736 under budget based on current trends. Water expenditures are now projected to be \$1,314,371 under budget due to a variety of factors. Water Resources held a number of positions vacant in the first quarter which reduced personnel costs. Due to the passing of House Bill 252, the department does not have to transfer the budgeted \$1.3 million Sullivan Act funds. Part of the \$1.3 million was used for: (1) legal expenses associated with the water lawsuit; and (2) projects that are currently underway, including the Azalea Road / Lake Craig 8-inch water line, a contract with the Mills River Partnership, and a new sodium hypochlorite tank at the William DeBruhl Water Treatment Plant. The remaining funds will be redirected to other projects to align the goals in City Council's Strategic Operating Plan.

It should be noted that the Water Fund adopted budget included an \$8.3 million appropriation from fund balance for capital improvements. Based on current revenue and expenditure results, it does not appear that this full fund balance appropriation will be needed.

Parking Fund

	Adopted Budget	12/31/2013 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Revenue	3,856,700	2,150,876	4,100,000	243,300
Expenditure	3,856,700	1,527,067	3,700,000	156,700
Rev. Over/(Under) Exp.	0	623,809	400,000	--

Most categories of parking revenues are in line, or exceeding, expectations for FY 2014. Garage revenues, especially special event parking and transient (hourly) parking in the garages, have been exceptionally strong in the second quarter. Revenues for parking citation penalties and late fees are below expectations due to unexpected employee challenges and the transition to a new parking citation management system. This situation should improve in the late third quarter as new Parking Enforcement Officers are hired, trained, and deployed. Even with the unexpected replacements of the air compressor at the Civic Center Garage and the HVAC system at the Wall Street Garage, along with repairs to damaged pipes due to freezing, staff expects that expenditures will come in slightly under budget.

Stormwater Fund

	Revised Budget	12/31/2013 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Revenue*	3,218,723	1,480,541	3,320,294	101,571
Expenditure	3,700,534	1,670,163	3,552,513	148,021
Rev. Over/(Under) Exp.	(481,811)	(189,622)	(232,219)	--

* Does not include fund balance appropriation

The Stormwater Fund budget includes a \$481,811 appropriation from fund balance for capital improvements. Based on current year revenue and expenditure results, it does not appear that this full fund balance appropriation will be needed.

The stormwater construction crew installed 818 ft. of pipe on several streets within the city limits to include the following: 230 ft. on Gardenwood Ln, installed 60 ft. of pipe on Sunset Dr, installed 60 ft on Woodland Rd, installed 30 ft. on Ballentree Dr, installed 40 ft. Crabapple Ln, installed 60 ft. Brookwood Rd, 80 ft. on Mayfair Dr, installed 33 ft. on Gibson Dr. and installed 210 ft. on Brookwood Ct.. The stormwater maintenance crew completed 23 work orders in this time period: 9 for structure maintenance, 6 ditch line and road shoulder repair, 1 sinkhole repairs and 7 rain day drain cleaning. The stormwater maintenance crews also swept 1,133 miles of roadways and cleaned 1358 catch basins and inspected an additional 538 catch basins, which resulted in the removal of 265 tons of material and debris.

Street Cut Utility Fund

	Adopted Budget	12/31/2013 Actuals	Year-End Estimate	Pos./ (Neg.) Bud. Variance
Revenue	1,493,808	461,427	1,293,808	(200,000)
Expenditure	1,493,808	486,601	1,293,808	200,000
Rev. Over/(Under) Exp.	0	(25,174)	0	--

The Utility Patch Crews have patched 396 asphalt cuts and 20 concrete cuts for the Water Department; 56 asphalt cuts and 5 concrete cuts for PSNC; 157 asphalt cuts and 13 concrete cuts for MSD; and 20 asphalt cuts for the Stormwater Division since July 1, for a total of 667 cuts. An additional 308 dirt cuts were inspected.

CAPITAL PROJECT UPDATE

As a part of the annual year-end closing and audit process, staff completed a review of existing capital projects to determine if there were projects that were completed and ready to be closed. Any savings from completed projects were moved to the General Capital Projects Fund's reserve. As of the end of December, the total amount available in the capital reserve account was \$55,000. The remainder of this section provides an update on the status of some of the City's active major capital projects.

Integrated Document Management System

Budget	Expenditures & Encumbrances	Avail. Budget
107,600	93,551	14,049

The system is up and running with multiple departments actively adding documents (e.g. APD, AFR, Legal). Approximately 2 million records were converted from the legacy Keyfile software and are now accessible through the new document management system. Although there are minor "punch list" activities that are continuing throughout the current quarter, the project has been completed successfully: a legacy, unsupported system was retired, a new system was implemented, and employees now have much easier and faster access to electronic documents.

Radio Infrastructure

Budget	Expenditures & Encumbrances	Avail. Budget
6,142,000	123,400	6,018,600

Staff has completed review of the draft needs assessment compiled by Trott Communications Group, and has provided feedback for a final document. The project charter has been completed and will be presented to an executive steering committee for feedback this quarter. To support this project, a radio tower management team has been assembled to ensure that towers will be ready for the project, given relatively recent changes in Federal wind load standards. Staff is also exploring options to expand radio coverage through structured regional partnerships in anticipation of RFP release.

Development Services Permitting System (4% Technology Fee Funds)

Budget	Expenditures & Encumbrances	Avail. Budget
650,000	571,827	78,173

The new permitting software, Accela, has been operational since early November 2013. Contractors are able to schedule inspections and generate trade building permits online without having to come into the Development Services office. At this point, the project implementation is complete and we are moving into a continuous improvement mode with new capabilities being added as needs are defined by staff and external customers.

US Cellular Center Renovations

Budget	Expenditures & Encumbrances	Avail. Budget
11,199,358	10,883,020	316,338

Work on the most recent phase of renovations at the USCC began in March of 2013 and has had an extended completion date of February 21st 2014. The extension is due to the additional renovations being completed in the mezzanine level meeting rooms after City Council approved a contract amendment in the amount of \$485,794 to fund the addition to the project. Included in the nearly yearlong project was a public art piece in the lobby area terrazzo flooring. The work included updates to the main entrance plaza, ticket office, storage areas, ramp improvements, new marquee, meeting room updates and a new basketball court.

Beaucatcher Greenway

Budget	Expenditures & Encumbrances	Avail. Budget
1,261,781	326,955	934,826

The construction drawings are well underway but there have been delays in terms of addressing access along the right-of-way, White Fawn utilities, etc. which have delayed the process. Once these are addressed, the public process can commence and the construction drawings completed. It is anticipated this might be by April 2014.

TIGER Grant II for Clingman Forest and Town Branch Greenways

Budget	Expenditures & Encumbrances	Avail. Budget
405,000	395,000	10,000

The construction drawings are about 80% complete but the project was expanded in terms of scope (roundabout, boardwalks and a stormwater project) so the time of completion drawings is now anticipated for April 2014.

Greenway Land Acquisition

Budget	Expenditures & Encumbrances	Avail. Budget
217,315	134,122	83,193

There was progress in securing two properties on the West Bank of the French Broad River Greenway to link the existing greenway system.

WNC Nature Center – New Entrance & Animal Exhibits Project

Budget	Expenditures & Encumbrances	Avail. Budget
92,630	92,002	628

The consultant is developing the construction documents for the structures and landscape. This process is delayed as the locations of previously unknown storm water and water lines are being determined. The plans should be complete in April 2014.

Parks & Recreation Maintenance

Budget	Expenditures & Encumbrances	Avail. Budget
504,185	344,390	159,795

The Montford Complex gym floor replacement, painting, and goal replacement are complete, totaling \$159,000. \$14,000 for front door replacement and site accessibility improvements at the Montford Complex has been encumbered and the work is in process. \$14,000 for design for bathroom accessibility upgrades at the Montford Complex has been encumbered. \$38,000 has been encumbered for the Master Plan update for the Montford Complex. Design Development for the Velodrome renovation and Carrier Park bathroom renovation is complete. \$10,000 has been expended on mulch and equipment for playground safety improvement projects at various sites.

Public Art Acquisition

Budget	Expenditures & Encumbrances	Avail. Budget
160,221	16,800	143,421

Public Art Project 51 Biltmore

Call for artist was issued for artwork on the north exterior wall of the public parking garage located next to the Aloft Hotel at 51 Biltmore Avenue. Over 100 artists responded to the call and three finalists were selected. A public meeting with the artists was held as part of the final selection process. Completion date is targeted for spring 2014.

Street Resurfacing (FY13 Contract)

Budget	Expenditures & Encumbrances	Avail. Budget
1,100,000	1,100,000	0

The project is complete. The final invoice has not been submitted yet, however, we expect to be approximately \$23,000 under budget. Streets that were resurfaced include: W.T. Weaver Blvd., King St., Woodfin St., Hanover St., Coleman Ave., Montview Dr., Asheland Ave., Pebble Creek Dr., Ravenna St., and Dunkirk Rd for a total of 3.24 miles.

Haywood Rd Multi-Modal Improvements

Budget	Expenditures & Encumbrances	Avail. Budget
220,000	0	220,000

There is one final easement to be obtained before letting the contract and going to construction.

Hendersonville Rd Sidewalk

Budget	Expenditures & Encumbrances	Avail. Budget
4,125,000	186,518	3,938,482

This project is in the surveying, design and environmental planning stage. Easement acquisition has begun. Staff is working with NCDOT, as well the Department of Interior, to complete the various planning and design documents to prepare for the letting of the contract in FY 15.

Cedar St Bridge Repairs

Budget	Expenditures & Encumbrances	Avail. Budget
500,000	0	500,000

Staff is targeting the spring of 2014 to award a professional services contract to design the necessary repairs to this bridge.

Victoria Road Storm Drainage

Budget	Expenditures & Encumbrances	Avail. Budget
700,000	104,426	595,574

City crews have installed new storm water conveyance systems along Victoria Road. The project also consists of stabilization of the bank along Victoria Road where storm water had flowed over. The design is in progress for this stabilization; construction is anticipated this fiscal year.

Lake Craig/Azalea Road Improvements

Budget	Expenditures & Encumbrances	Avail. Budget
5,709,847	5,653,160	56,687

Construction is underway for the project. Young and McQueen is on site currently and the anticipated completion date is December 2014. City staff continues to coordinate with the ABYSA and the Nature Center on construction activities.

Craven Street Improvements

Budget	Expenditures & Encumbrances	Avail. Budget
852,604	852,604	0

The project is in its final design phase, construction documents are being finalized. This project consists of improvements to the roadway, storm water system, installation of regional water quality improvements, a low impact parking area and a greenway. It is anticipated construction will begin in the spring/summer. Coordination with other agencies and utility companies is continuing in order to acquire necessary permits for the project.

City Hall Repairs

Budget	Expenditures & Encumbrances	Avail. Budget
6,001,833	4,268,954	1,732,879

This project has been dealing with weather restrictions, however it is around 81% complete. Brick replacement is complete, however some mortar joints are having to be reworked. Window samples have been installed and are awaiting third party testing, terra-cotta repair and replacement is commencing without issues other than weather. Work is still ahead of schedule.

National Guard Armory Repairs

Budget	Expenditures & Encumbrances	Avail. Budget
60,000	45,353	14,647

Addition repairs and space utilization have been completed and closure of this project should conclude in the 3rd quarter.

410A HVAC Conversion

Budget	Expenditures & Encumbrances	Avail. Budget
370,000	179,466	190,534

Addition units are under contract to be replaced (Parking services and McCormick Field) making this project approximately 55% complete.

FY13 and FY14 Roof Replacements

Budget	Expenditures & Encumbrances	Avail. Budget
364,000	120,807	243,193

Both picnic shelters at West Asheville park have been completed. Repairs to 30 George Washington Carver are also complete. Re-roofing of fire station # 2 is under contract and work has begun. Re-roofing of old fire station # 4 is under contract with work to commence in February.

City Hall Elevator Automation

Budget	Expenditures & Encumbrances	Avail. Budget
200,000	0	200,000

Building maintenance staff met with the Fire Marshal and Building Safety to determine scope of work and any obstacles that would arise. Contractor gathered this feedback and is in negotiations with state inspectors to develop an action plan and project scope.

McCormick Field Clubhouse

Budget	Expenditures & Encumbrances	Avail. Budget
100,000	6,995	93,005

Contracts are in place and work has commenced with approximately 40% project completion.

Police Evidence Room Ventilation System

Budget	Expenditures & Encumbrances	Avail. Budget
100,000	94,767	5,233

APD operations (working in a secured area) and unforeseen building constraints have hindered the progress of this project, however it is currently 90% complete with and estimate final completion date of February 21st.

INVESTMENT REPORT

The total cash and investments for the City of Asheville at December 31, 2013 were \$111,325,867. These investments represent cash and cash equivalents and do not reflect budgeted contractual commitments against these funds. These investments comply with North Carolina General Statutes, the City's investment policies and the City's bond restrictions. The average rate of return for all investments is 0.55%. Shown below are the total investments as of December 31, 2013, reduced by contractual commitments and the funds that are restricted by bond order.

Total Cash & Investments as of 12/31/13		\$111,325,867
Less:		
Budgeted Commitments:		
Outstanding Encumbrances	(23,489,141)	
Bond Restricted Funds:		
Bond Service (Funds held by trustee)	(2,497,917)	
Bond Proceeds to Be Drawn Down	<u>(5,448,636)</u>	
		<u>(31,435,694)</u>
Net Amount		\$79,890,173

Attached to this report are a graph and a table that provide greater detail on the allocation of funds within the City's investment portfolio.

SUMMARY

For more information. This summary is based on detailed information produced by the City's financial management system. If you would like additional information, or have any questions about the report, please call the Management and Budget Division at 259-5635.
